

**NEW JERSEY CASINO CONTROL COMMISSION**

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Tennessee Avenue and Boardwalk  
Atlantic City, NJ 08401

***Commission denies license renewal  
for Tropicana; trustee takes control  
immediately***

**For Immediate Release**

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ATLANTIC CITY – The Casino Control Commission today refused to renew the casino license of the Tropicana Casino Hotel Wednesday and turned over control of the property to a trustee.

By a 4-1 vote, the commission ruled that the Tropicana's owners, Tropicana Casinos and Resorts, failed to meet strict state licensing requirements, including a lack of business ability, a lack of financial responsibility and a lack of good character, honesty and integrity.

In making the decision, the commission said that Tropicana's regulatory compliance since it was acquired by Tropicana Casinos and Resorts in January "has been abysmal."

As a result of the vote, the commission activated a pre-existing trust to take control of the property away from Tropicana Casinos and Resorts. A year ago, as part of that firm's request for interim casino authorization, the commission approved the selection of former New Jersey State Supreme Court Justice Gary Stein as the trustee. Commission Chair Linda M. Kassekert noted that the casino will remain open and operating under Stein's direction.

"This in no way interrupts casino operations," she stressed. "The casino and the hotel remain open. The employees will be on the job and will be paid and customers will be able to gamble and enjoy all of the amenities that the Tropicana has to offer."

This is only the second time that the Casino Control Commission has refused to renew a license. In 1989, the commission denied a renewal for Elsinore's Atlantis Casino Hotel. That case was the result of financial problems at the Atlantis.

The commission Wednesday pointed to a series of business decisions that seriously hurt the property and a series of executive changes that raised questions about the company's ability to make the choices necessary to maintain a competent management team.

"In some respects, this has been the most difficult of cases because the Commission has had to apply its institutional regulatory expertise derived over the life of this agency to tell a long-time and otherwise apparently successful businessman that he lacks business ability," Kassekert said.

"In other respects, the decision has not proven to be difficult at all, given the applicants' demonstrated ineptness at appreciating the workings of the Atlantic City casino marketplace. The applicants could have taken the time to educate themselves in what it takes to operate successfully here, or they could have hired and retained sufficient staff knowledgeable in those processes. They have done neither, and must bear the consequence," she added.

She added that William Yung III, the owner of Tropicana Casinos and Resorts, "exhibited a lack of cooperation on a grand scale that did nothing to earn regulatory trust in his ability to operate in this marketplace. Moreover, his decision-making process was seriously flawed.

Commissioner Michael A. Fedorko was the sole member who voted against the denial of the license renewal.

"A recommendation to deny licensure proposes an extraordinary result, which I believe goes far beyond what is called for in this case," Fedorko said.

Kassekert said that the commission immediately beefed up its presence in the Tropicana with additional inspectors and representatives from the commission's compliance, licensing and financial evaluation divisions. She said she anticipates the trustee will be on hand starting Thursday to oversee ongoing operations.